

Title/Subject: IJB Audit Committee Report

Meeting: Integration Joint Board

Date: 30 March 2017

Submitted By: Chief Finance Officer

Action: For Decision

1. INTRODUCTION

- 1.1 The Falkirk IJB Audit Committee met on 27 February 2017. The agenda items considered at the meeting were:
- Update on Annual Accounts Planning and Assurance
 - Review of Financial Regulations and Reserves Strategy and Policy
 - Annual (External) Audit Plan
 - Governance Action Plan
 - Self-Assessment in Relation to National Audit Scotland reports on Health and Social Care Integration
 - Internal Audit Progress Report
- 1.2 The full Audit Committee papers are published on the Falkirk Council website.

2. RECOMMENDATION

The Integration Joint Board is asked to:

- 2.1 note that the Audit Committee met on 27 February 2017 and considered the agenda items detailed in section 1.1
- 2.2 note that the governance action plan, updated where relevant, will be used as the basis for producing the IJB Annual Governance Statement for 2016/17
- 2.3 note the Audit Committee's approval of the Annual Audit Plan for 2016/17
- 2.4 note that the Financial Regulations have been reviewed with no substantive changes and that a further review is required no later than March 2018
- 2.5 approve the revised Reserves Strategy and Policy attached at Appendix I with a further review required no later than March 2018
- 2.6 note the Self Assessments in relation to the National Audit Scotland reports on Health and Social Care Integration attached as Appendix II

- 2.7 consider the membership of the Audit Committee taking account of the retiral of the current chair on 31 March 2017 and the implications of the Local Government elections in May 2017.

3. BACKGROUND

- 3.1 The IJB agreed to establish an Audit Committee at its special meeting on 24 March 2016.
- 3.2 The Audit Committee has 3-4 scheduled meetings per annum to discharge its role per its terms of reference.
- 3.3 The Audit Committee will next meet in June 2017 primarily to consider the unaudited accounts. In advance of this meeting the Committee's membership and chair will require to be considered.

4. AUDIT COMMITTEE CONSIDERATIONS

Audit Committee Chair and Membership

- 4.1 The Audit Committee Chair retires as a NHS Forth Valley Non-Executive Director on 31 March 2017. There are also likely to be implications for the IJB's membership post the Local Government elections in May 2017 which will impact on the audit committee's membership.
- 4.2 The IJB will require to appoint members to the Audit Committee and nominate a chair in advance of the meeting scheduled for late June 2017.
- 4.3 Should it not be possible to agree an on-going Audit Committee chair in this timescale consideration should be made to appointing an interim chair from the voting membership of the IJB.

Review of Financial Regulations

- 4.4 The Audit Committee approved a review of the IJBs Financial Regulations and there were no substantive changes. Only minor amendments to wording were made to accurately reflect current arrangements. It was agreed that a further review of the Financial Regulations should take place no later than March 2018.

Reserves Policy and Strategy

- 4.5 A draft revised reserves strategy and policy was presented to the IJB Audit Committee for consideration and it agreed to refer this to the IJB for approval.
- 4.6 The main revision to the reserves strategy and policy was the proposal for a maximum target limit for general reserves to be set at £1.5m which is around 0.75% of the partnership budget. This level was proposed taking into account approaches across other partnerships and to ensure a sufficient limit to cover potential financial scenarios which may face the partnership as medium to longer term financial strategy is developed.

- 4.7 It is not planned that the IJB will hold significant levels of reserves on an on-going basis. The IJB's reserves are held to provide a level of protection against unforeseen circumstances and manage phasing of expenditure between financial years.
- 4.8 The reserves policy and strategy will require further review as medium to longer term financial strategy develops. It is proposed that a further review should take place no later than March 2018.

Annual Audit Plan

- 4.9 The Audit Committee received and approved the Annual Audit Plan for 2016/17 presented by the IJB's External Auditors Ernst and Young.

Governance Action Plan

- 4.10 The Audit Committee were presented with the Governance Action Plan as the management response to the 2015/16 Internal Audit Annual report. This action plan documented progress against planned developments in governance arrangements in 2016/17.
- 4.11 The action plan will be used, updated as required, as a basis for the IJB's Annual Governance Statement within the 2016/17 Financial Statements.

Self-Assessment in Relation to National Audit Scotland Reports on Health and Social Care Integration

- 4.12 Since December 2015 Audit Scotland has published four key reports which directly relate to Health and Social Care Partnerships in Scotland. These are:
- Health and Social Care Integration (December 2015)
 - Changing Models of Health and Social Care (March 2016)
 - Social Work in Scotland (September 2016)
 - NHS in Scotland (October 2016).
- 4.13 Self-assessments have been prepared in relation to the key recommendations contained within the Audit Scotland reports on Health and Social Care Integration and Changing Models of Health and Social Care. These are attached as Appendix II to this report.
- 4.14 The key recommendations from the reports on Social Work in Scotland and NHS in Scotland as they relate to the Falkirk Health and Social Partnership will be considered in conjunction with delivery planning for the Health and Social Care Partnership. Further updates will be prepared in relation to these reports in due course.

Internal Audit Progress Report

- 4.15 The Audit Committee received a progress report on the Internal Audit Plan including an update on current internal audit activity.
- 4.16 A further report from Internal Audit and the 2017/18 Internal Audit Plan will be presented to the June 2017 IJB Audit Committee.

5. CONCLUSIONS

- 5.1 The content of this report provides the IJB with an update on the work of the Audit Committee and presents the issues which require IJB consideration and approval.

Resource Implications

The annual audit fee for 2016/17 has not yet been estimated and will require to be agreed once External Audit has concluded their planning work.

Impact on IJB Outcomes and Priorities

The IJB Audit Committee forms part of the governance framework for the IJB within which the Strategic Plan priorities are pursued.

Legal & Risk Implications

The Audit Committee considered matters which relate to the Annual Report and Financial Statements of the IJB which are statutory requirements.

Consultation

No consultation necessary.

Equalities Assessment

No equalities issues directly arising.

Approved for submission by: Ewan Murray, Chief Finance Officer

Author – Ewan C Murray, Chief Finance Officer

Date: 8 March 2017

List of Background Papers:

APPENDIX I – Reserves Strategy and Policy

APPENDIX II – Self Assessments in Relation to National Audit Scotland Reports on Health and Social Care Integration

APPENDIX 1

Falkirk Integration Joint Board Reserves Policy and Strategy

1. Introduction

- 1.1 This document outlines the Falkirk Integration Joint Board's strategy for developing and holding financial reserves.
- 1.2 The strategy is linked to the Integration Joint Board's Strategic Plan objectives and medium term financial strategy which highlights the financial risks and challenges facing the Integration Joint Board and its constituent partners beyond the current financial year.
- 1.3 The strategy will be reviewed annually to ensure all financial changes and challenges facing the Integration Joint Board and its constituent partners are taken into account in determining the appropriate level of reserves to hold for the future.

2 Legislative/Regulatory Framework

- 2.1 The Public Bodies (Joint Working) (Scotland) Act 2014 establishes the framework for the integration of health and social care in Scotland. The Act empowers an Integration Joint Board to hold reserves subject to an agreed reserves strategy.
- 2.2 As the Integration Joint Board is considered a Local Authority body under section 106 of the Local Government (Scotland) Act 1973, all relevant legislative and regulatory principles as applied to local authorities have been deemed equally applicable to the Integration Joint Board.
- 2.3 In Scotland, explicit statutory powers under Schedule 3 of the Local Government (Scotland) Act 1975 permit local authorities to establish a Capital Fund, alongside a requirement to maintain a General Fund Reserve. Within the General Fund Reserve, local authorities are allowed to earmark elements for specific intended purposes.
- 2.4 Local Authority Accounting Practice Bulletin 99 published in July 2014 provides advice from the Chartered Institute of Public Finance and Accountancy in respect of local authority reserves and balances. The principles and good practice examples contained within the Local Authority Accounting Practice bulletin have been applied in developing the proposed reserves strategy for the Integration Joint Board.
- 2.5 Legislation also places a range of safeguards that help to prevent local authorities over-committing themselves financially as follows:

- The balanced budget requirement, for Scotland this is derived from Section 93 of the Local Government Finance Act 1992;
- The Chief Finance Officer's duty to report on robustness of estimates and adequacy of reserves when considering the annual budget requirement;
- The Chief Finance Officer's duty to make arrangements for, in addition to having responsibility for, the proper administration of the Integration Joint Board's financial affairs; and
- In line with the "Prudential Code" published by the Chartered Institute of Public Finance and Accountancy, the Chief Finance Officer's duty to have full regard to affordability when making recommendations about future capital programs, including giving due consideration to the level of long term revenue commitments.

Reserve Policies

- 2.6 Pressures on public finances now and over the medium term are intense with the result that the constituent partners do not currently have the capacity to provide extra resources to provide reserves. Therefore, the ability to build up and retain reserves for unforeseen events and circumstances becomes not only difficult, but something that requires careful consideration.
- 2.7 Having the right level of reserves is important. If reserves are very low, there may be little resilience to financial shocks and sustained financial challenges.
- 2.8 Reserves should not be used to fund material levels of ongoing operational costs as they are not a permanent funding solution for this type of expenditure. They may, however, be used for small-scale initiatives which do not impact on the overall reserves strategy.
- 2.9 Reserves should act as a "buffer" to absorb one-off pressures or to enable a short-term bridge to fill a gap until a sustainable funding solution is identified.
- 2.10 Contributions from reserves should only be used to set a balanced budget where reserves have been specifically earmarked for future projects as agreed by the Integration Joint Board.
- 2.11 The level of reserves to be held should be based on an assessment of the likelihood and impact of financial and operational risks.
- 2.12 In addition to maintaining an adequate reserves balance to protect against risks, it may also be necessary to plan for an increase in reserves as a means of meeting Strategic Plan objectives.
- 2.13 Reserves in excess of prudent estimated levels should not be held. This will ensure unnecessary cash balances do not build up which may impact on resources available for operational activities.

3 Types of Reserve

Earmarked Reserves

- 3.1 The purpose of an Earmarked Reserve is to set aside amounts for initiatives that extend beyond one year or as a contingency against a specific situation occurring. Earmarked Reserves will increase through decisions of the Integration Joint Board and will decrease as they are spent on their specific intended purposes.
- 3.2 Once an Earmarked Reserve has been established by the Integration Joint Board, it is the responsibility of the Chief Finance Officer of the Integration Joint Board to ensure funds are spent in line with their purpose. The purpose of each Earmarked Reserve should be reviewed annually to ensure that it is still relevant.

General Reserves

- 3.3 General Reserves represent non-earmarked elements of Integration Joint Board funds. The main purposes of General Reserves are to operate as a working balance to help manage the impact of uneven cash flows, and to provide a contingency to cushion the impact of emerging or unforeseen events or genuine emergencies.
- 3.4 Given the pressures on public finances now and over the medium term, constituent partners do not currently have the capacity to provide extra resources to provide for General Reserves. As such, the expectation for the foreseeable future is that General Reserves will not be available to the Integration Joint Board. However, ideally, the build-up of a robust level of General Reserves should still be considered as a target within the Integration Joint Board's medium term financial strategy.

Capital Reserves

- 3.5 Capital reserves represent monies set aside to meet expenditure of a capital nature, as opposed to day to day expenditure on operational activities.

4 Principles of a Risk Based Approach to Reserves

- 4.1 In order to assess the level of reserves, the Chief Finance Officer of the Integration Joint Board should take account of the financial and operational risks facing the Integration Joint Board over the life of the medium term financial strategy. The estimate of these risks should include (but are not limited to):
 - The reasonableness of underlying budget assumptions.
 - Inflationary pressures.
 - Realisation of income targets.

- Trends and current spending patterns.
 - Known future legislative or other regulatory changes.
 - Ability to achieve Strategic Plan objectives.
 - Estimates of likely demand for demand-led budgets.
 - A review of any major risks associated with future years' budgets.
 - The availability of any revenue contingency budget.
 - Discussions and contributions from constituent partners.
- 4.2 The Chief Finance Officer should develop and implement proper arrangements to manage these risks, including adequate and effective systems of internal control.
- 4.3 The Chief Finance Officer's advice on the level of reserves should be set in the context of the Integration Joint Board's risk register and medium term plans, and should not focus exclusively on short-term considerations. Advice should be given on the level of reserves over the lifetime of the medium term financial plan, and should also take account of the expected need for reserves in the longer term.
- 4.4 Part of the risk management process involves taking appropriate action to mitigate or remove risks where this is possible, which in turn may lead to a lower level of reserves being required. A balance will need to be found between maintaining adequate levels of reserves and investing in risk reduction measures.
- 4.5 Whilst it will primarily be the responsibility of the Integration Joint Board and its Chief Finance Officer to maintain a sound financial position, external auditors will regularly express their views on the adequacy of the reserves of the Integration Joint Board for which they carry out the audit function. However, it will not be the responsibility of external auditors to prescribe the optimum or minimum level of reserves to be held.

5 Management of Reserves

Overview

- 5.1 The required levels of Earmarked and General Reserves and their purpose will be agreed as part of the annual budget setting process and reflected in the Strategic Plan agreed by the Integration Joint Board. The constituent partners will be able to review the levels of reserves held by the Integration Joint Board as part of this process.
- 5.2 The level of Earmarked and General Reserves to be maintained may change from year to year depending on any changes to the financial risks facing the Integration Joint Board, and/or resources needed for investment to meet Strategic Plan objectives and budgetary control.
- 5.3 Any in-year call on General Reserves will generally only be approved to meet the cost of unexpected and unforeseen expenditure, or where an opportunity

has arisen which is time limited and/or meets an objective within the Strategic Plan.

- 5.4 The Integration Joint Board will allocate resources it receives from the constituent partners in line with the Strategic Plan. In doing this it will be able to use its power to hold Earmarked and General Reserves, so that in some years it may plan for an underspend to build up reserves, and in others to breakeven, or to use a contribution from reserves in line with the Reserve Policy and Strategy.

Use of Reserves

- 5.5 Decisions on the use of General Reserves should take account of the financial and operational risks that could impact on the Integration Joint Board's position, and should be made in a coordinated and planned way to ensure that best use is made of these resources.
- 5.6 For this reason it is important that any approval to use General Reserves complies with the Integration Joint Board's Reserves Policy and Strategy and a formal procedure facilitates this process.
- 5.7 The application to use General Reserves should be submitted to the Integration Joint Board for approval and should include as a minimum:
- How the application meets the requirements of the Reserves Policy and Strategy.
 - Why the use of reserves is considered to be the most appropriate form of funding.
 - Whether the use of reserves is required to meet an objective of the Strategic Plan, or is outside of this.
 - Whether the constituent partners been consulted on the proposal to use reserves.
 - A statement from the Integration Joint Board's Chief Finance Officer detailing the current level of reserves and projected year end position.
- 5.8 With reference to section 8 of the Falkirk Integration Scheme, the following in-year scenarios could impact on any General Reserves held by the Integration Joint Board:
- **In-Year Overspend on the Operational Integrated Budget** - Where there is a projected overspend against an element of the operational budget, the Integration Joint Board may decide to increase the payment to the affected body by utilising the balance of the General Reserve of the Integration Joint Board (if available) in line with the Reserves Policy and Strategy.
 - **In-Year Underspend on the Operational Integrated Budget** - Underspends on either arm of the operational integrated budget should be returned from the relevant constituent partner to the Integration Joint Board and carried forward through General Reserves (with the exception

of underspends that arise due to material differences between assumptions used in setting the payments to the Integration Joint Board and actual events).

Reporting Arrangements for Reserves

- 5.9 In terms of reporting on Earmarked and General Reserves, all budget reports to the Integration Joint Board should include from the Chief Finance Officer of the Integration Joint Board (where applicable):
- A statement reporting on the annual review of Earmarked Reserves. The statement should list the various Earmarked Reserves, the purposes for which they are held and provide advice on the appropriate levels. It should also show the estimated opening balances for the year, planned additions/withdrawals and the estimated closing balances.
 - A statement showing the estimated opening General Reserve balance for the year ahead, the addition to/withdrawal from the reserve, and the estimated end of year balance.
 - A statement on the adequacy of Earmarked and General Reserves in respect of the forthcoming financial year and the Integration Joint Board's medium term financial strategy.

6 Level of Reserves

Earmarked Reserves

- 6.1 As mentioned previously, Earmarked reserves provide a means of accumulating funds for use in a later financial year to meet known or planned initiatives. As such, the level of any required Earmarked Reserve is likely to be known with reasonable certainty. The purpose of each Earmarked Reserve should be reviewed annually to ensure that it is still relevant.

General Reserves

- 6.2 There is generally no prescriptive basis for the level of General Reserves that should be held. The level of General Reserves will depend on the financial risks and challenges facing the Integration Joint Board and its constituent partners, but ideally as a minimum, should be capable of covering all estimated financial risks including contingent liabilities.
- 6.3 However, as mentioned previously, the pressures on public finances now and over the medium term are intense with the result that the constituent partners do not currently have the capacity to provide extra resources to provide for General Reserves. Therefore, the ability to build up and retain General Reserves for unforeseen events and circumstances will be continue to be difficult.
- 6.4 Although there is no requirement or expectation placed on the Integration Joint Board to build up General Reserves, it is still appropriate to at least consider a

prudent “target” level of reserves that may be achievable in the future when financial capacity of the constituent partners allows.

- 6.5 Setting a suitable target level of General Reserves provides its own difficulties. Many of the financial risks impacting on the Integration Joint Board will be difficult to estimate, and the ability to benchmark other Integration Joint Board reserve policies and strategies is currently not yet available.

Capital Reserves

- 6.6 It is currently not anticipated that the Integration Joint Board will require to hold a Capital Reserve.
- 6.7 The Integration Joint Board will identify the specific asset requirements to support the Strategic Plan. Where the Chief Officer of the Integration Joint Board identifies as part of the Strategic Plan new capital investment requirements, a business case should be developed and submitted to all constituent partners to consider.
- 6.8 Options may include one or more of the constituent partners approving the project from its own capital budget or where appropriate, using the hub initiative. The existing procedures in the constituent partners should be used to consider capital bids and business cases.

7 Conclusions

- 7.1 Robust financial management and control requires the Integration Joint Board to give consideration to the holding of General Reserves to provide protection against unforeseen and/or unavoidable costs arising.
- 7.2 Given the pressures however on the finances of the constituent partners currently and over the medium term, the expectation is that General Reserves will not be available to the Integration Joint Board.
- 7.3 Although there is no requirement or expectation placed on the Integration Joint Board to build up General Reserves, it is still appropriate to at least consider a prudent “target” level of reserves that may be achievable in the future when financial capacity of the constituent partners allows.
- 7.4 It is recommended that a maximum target level of General Reserves for the Integration Joint Board be set at a cash value of £1.5 million which is approximately 0.75% of the total partnership budget. This target will be subject to review as part of future annual budget setting processes.
- 7.5 Where appropriate, Earmarked Reserves should also be considered to plan for major expenditure or one-off significant payments.
- 7.6 It is currently not anticipated that the Integration Joint Board will require to hold a Capital Reserve.

Falkirk HSC Partnership Self-Assessment February 2017 Re: Audit Scotland Report: “Changing Models of Health and Social Care Report March 2016”

Ref	Recommendations	Current Position	Improvement Actions	Lead	Timescale
	<p>NHS boards and councils should work with integration authorities during their first year of integration to:</p> <ul style="list-style-type: none"> carry out a shared analysis of local needs, and use this as a basis to inform their plans to redesign local services, drawing on learning from established good practice 	<p>The Falkirk HSCP Strategic Plan was produced taking into account analysis on local needs including the Joint Strategic Needs Assessment (JSNA), NHS Forth Valley Clinical Services Review, Falkirk Council Community Care Housing Needs Analysis.</p> <p>Joint Strategic Needs Assessment published March 2016</p> <p>Locality Profiles published June 2016</p>	<p>Information from Joint Strategic Needs Assessment will continue to inform planning going forward and will be supplemented as further intelligence emerges.</p>	<p>HSCP Senior Management Team</p>	<p>Ongoing</p>
	<ul style="list-style-type: none"> ensure new ways of working, based on good practice from elsewhere, are implemented in their own areas to overcome some of the barriers to introducing new care models 	<p>Falkirk HSCP are members of the national Health and Social Care Benchmarking Network</p> <p>Terms of Reference to PC as COs looking to do similar</p> <p>The Partnership is actively engaging with HIS, TRIST and NES to secure additional capacity to support a range of work including whole systems mapping, Discharge to Assess, Community Equipment/Adapting for Change and reablement services</p> <p>Working around 24 hours and improvements around out of hours services</p>	<p>Adopting principles around evidence based practice in developing / informing models to underpin all work.</p> <p>Consideration of how are we set up to implement and evaluate new models and how these contribute to sustainable service delivery.</p> <p>Use of available benchmarking data to inform planning and service delivery.</p>	<p>HSCP Senior Management Team</p>	<p>Ongoing</p>

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Ref	Recommendations	Current Position	Improvement Actions	Lead	Timescale
	<ul style="list-style-type: none"> move away from short-term, small-scale approaches towards a longer-term approach to implementing new care models. They should do this by making the necessary changes to funding and the workforce, making best use of local data and intelligence, and ensuring that they properly implement and evaluate the new models 	<p>Work has taken place to ensure that Partnership Funding - Integrated Care Fund and Delayed Discharge - monitoring processes adopt and support a strategic approach to service re-design and future targeting of partnership funding. This will ensure the partnership is able to use the funding available to improve outcomes for service users and their carers, achieve leverage and re-shape current initiatives, where required.</p> <p>Work is ongoing to review Partnership arrangements for commissioning services to Third Sector organisations in line with Audit Scotland and the Accounts Commission, 'Following the Public Pound' guidance.</p> <p>The review has given consideration to the current governance and scrutiny in place for in-scope services commissioned by NHS Forth Valley or Falkirk Council, without a tendering arrangement, therefore falling within the criteria of 'Following the Public Pound' (FPP). The governance framework will allow the IJB to allocate resource to arms-length and external organisations and thereafter scrutinise efficiency and performance in line with the Local Delivery Plan.</p> <p>Work to finalise the framework is on-going and the final framework will be presented to the IJB after consideration by the audit committee in February 2017.</p>	<p>Further consideration needs to be given to how this approach can be applied consistently across the different funding streams made available to partners eg Primary Care Transformation Fund.</p> <p>Alignment of delivery planning, including development of localities, with financial plan.</p> <p>Present commissioning framework to Audit Committee for consideration then IJB for approval.</p>	HSCP Senior Management Team	<p>Ongoing</p> <p>March 2017 (for 2017/18 budget)</p> <p>February 2017 Audit Committee and IJB thereafter.</p>

Ref	Recommendations	Current Position	Improvement Actions	Lead	Timescale
	<ul style="list-style-type: none"> ensure, when they are implementing new models of care, that they identify appropriate performance measures from the outset and track costs, savings and outcomes 	<p>The IJB approved governance and monitoring arrangements for partnership funds and these have been implemented.</p> <p>A Partnership Funding group has been formed to assess and monitor partnership funding. Recommendations made by the group will be presented to the Strategic Planning Group and then to the IJB. The Strategic Planning Group has an on-going role in monitoring the Partnership's progress towards strategic outcomes and priorities.</p> <p>Partnership Funds are allocated through a single governance process, which is intended to provide transparency of allocation and allow effective performance monitoring.</p> <p>The evaluation framework has been designed in line with the RE-AIM framework, which enables formative assessment, providing feedback on initiatives as they develop and summative assessment, which helps inform funding decisions.</p> <p>Failure to comply with monitoring requirements or to progress initiatives within 3 months of award will result in escalation to Chief Officer. On-going failure to comply with monitoring requirements or failure to progress initiative within 6 months will result in escalation to IJB and possible withdrawal of award</p>	<p>For ongoing consideration as Performance Management and Reporting arrangements continue to evolve.</p>	<p>HCSP Senior Management Team</p>	<p>Ongoing</p>

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Ref	Recommendations	Current Position	Improvement Actions	Lead	Timescale
	<ul style="list-style-type: none">▪ ensure clear principles are followed for implementing new care models	Partnership Funds are allocated in line with any nationally set principles for investment. In addition funds are allocated taking into account their direct contribution to addressing need identified within the JSNA and in meeting the Strategic Plan outcomes and priorities.	Future consideration as implementation of strategic plan, including development of localities is aligned with use of resources.	HSCP Senior Management Team	Ongoing

Falkirk HSC Partnership Self-Assessment February 2017: Re Health and Social Care Integration Report published December 2015

Ref:	Key Recommendations	Current Position	Improvement Actions	Lead	Timescale
	<p>Integration authorities should: provide clear and strategic leadership to take forward the integration agenda. This includes:</p> <ul style="list-style-type: none"> developing and communicating the purpose and vision of the IJB and its intended impact on local people 	<p>The Integration Joint Board (IJB) has agreed the strategic vision for the HSCP and this is set out in the Strategic Plan 2016-2019.</p> <p>The IJB has developed a visual identity for the partnership which will be used consistently across the organisations to support the vision, values and aspirations of the partnership. This will also sit alongside other communication considerations.</p> <p>The IJB has approved a communications plan.</p>			
	<ul style="list-style-type: none"> having high standards of conduct and effective governance, and establishing a culture of openness, support and respect 	<p>Suite of governance arrangements in place.</p> <p>The IJB Board development session held on December 2015 identified the expected Board values and collaborative behaviours.</p> <p>Review of governance arrangements part of 2016/17 IJB Internal Audit plan.</p>	<p>Scheme of Delegation to be finalised and presented to IJB for approval.</p> <p>Consider recommendations from pending Internal Audit report on governance.</p>	<p>Chief Officer</p> <p>Chief Finance Officer</p>	<p>March 2017</p> <p>March 2017</p>
	Set out clearly how governance arrangements will work in practice, particularly when disagreements arise, to minimise the risk of confusing lines of accountability, potential conflicts of interests and any lack of clarity about who is ultimately responsible for the quality of care and scrutiny. This includes:	<p>The IJB Integration Scheme sets out the arrangements between NHS Forth Valley and Falkirk Council to enable the IJB to meet its responsibilities.</p> <p>The governance arrangements have been agreed by the Board, and there are draft terms of reference developed for the respective groups, including the Strategic Planning Group, Housing</p>			

Ref:	Key Recommendations	Current Position	Improvement Actions	Lead	Timescale
	<ul style="list-style-type: none"> setting out a clear statement of the respective roles and responsibilities of the IJB (including individual members), NHS board and council, and the IJB's approach towards putting this into practice 	<p>Contribution Group.</p> <p>The Clinical and Care Governance Framework and CCG Group will consider a range of issues including:</p> <ul style="list-style-type: none"> Care Inspectorate Inspections of Care homes and care at home provision Healthcare Environment reviews Significant case reviews <p>Work is underway to transfer the operational in scope NHS services to the Chief Officer. This will be over a phased basis commencing early 2017. As part of this the lines of accountability for the in-scope functions that remain within NHS will be agreed.</p> <p>The IJB has approved Standing Orders; Register of Interest and Code of Conduct (adopted from the model code issued by the Scottish Government)</p>			
	<ul style="list-style-type: none"> ensuring that IJB members receive training and development to prepare them for their role, including managing conflicts of interest, understanding the organisational cultures of the NHS and councils and the roles of non-voting members of the IJB 	<p>The IJB has approved a Board Development Plan in June 2016 which contains a range of development activities including:</p> <ul style="list-style-type: none"> an area wide Masterclass session with national speakers individual personal development series of briefing and discussion session 	<p>Review of development plan and specific development requirements for new voting members post May 2017.</p>	OD Advisor	September 2017
	<p>Ensure that a constructive working relationship exists between IJB members and the chief officer and finance officer and the public. This includes:</p>	<p>The Chief Officer and Chief Finance Officer meet regularly with the Chair and Vice Chair of the IJB</p>	<p>Scheme of Delegation being prepared for consideration and approval by the IJB.</p>	Chief Officer	March 2017

Ref:	Key Recommendations	Current Position	Improvement Actions	Lead	Timescale
	<ul style="list-style-type: none"> setting out a schedule of matters reserved for collective decision-making by the IJB, taking account of relevant legislation and ensuring that this is monitored and updated when required. 				
	<ul style="list-style-type: none"> ensuring relationships between the IJB, its partners and the public are clear so each knows what to expect of the other 	<p>The Chief Officer is a member of the Community Planning Partnership Leadership Group and has lead responsibility for specific areas of work contained within the SOLD plan. These are: Outcome 4: <i>People live full, independent and positive lives within supportive communities</i> Priority 5: <i>Improving Mental Health and Wellbeing</i></p> <p>In addition the IJB is accountable to the Community Planning Leadership Board for a remit with the:</p> <ul style="list-style-type: none"> health and wellbeing outcome substance misuse priority. 			
	<p>Be rigorous and transparent about how decisions are taken and listening and acting on the outcome of constructive scrutiny including:</p> <ul style="list-style-type: none"> developing and maintaining open and effective mechanisms for documenting evidence for decisions 	<p>IJB Board & Audit Committee meetings are open to the public and reports are available on the website.</p> <p>A separate web page for Health and Social Care Partnership is hosted on NHS Forth Valley website and a dedicated email address has been set up for enquiries.</p> <p>Adult Social Care budget proposals linked to Falkirk Council budget consultation arrangements (summary of feedback contained within financial report to February 2017 IJB meeting).</p>	Consider consultation arrangements for future years.	Chief Finance Officer	October 2017

Ref:	Key Recommendations	Current Position	Improvement Actions	Lead	Timescale
	<ul style="list-style-type: none"> putting in place arrangements to safeguard members and employees against conflict of interest and put in place processes to ensure that they continue to operate in practice 	<p>Within respective employers organisations there are Code of Conduct's in place</p> <p>As previously noted the IJB has in place a Code of Conduct and Register of Interests for Board members</p>	Subject to periodic review in light of experience, government guidance and any legislative changes.	Standards Officer	Annually
	<ul style="list-style-type: none"> developing and maintaining an effective audit committee 	<p>The IJB Audit Committee has been established and held its first meeting on 22 September 2016.</p> <p>A schedule of meetings for 2017 has been established.</p> <p>Consider future chairing of Audit Committee post March 2017.</p>	Appoint new Audit Committee chair.	IJB	March 2017
	<ul style="list-style-type: none"> ensuring that effective, transparent and accessible arrangements are in place for dealing with complaints 	The IJB has agreed a process to manage and report on complaints.			
	<ul style="list-style-type: none"> ensuring that an effective risk management system is in place 	<p>The IJB has approved a Risk Management Strategy and Strategic Risk Register. This is being reviewed and will report to the Board in March 2017.</p> <p>Risk is a standard item within the IJB Board reporting template.</p>	Consider implications of review.	Chief Officer and Chief Finance Officer	March 2017
	Develop strategic plans that do more than set out the local context for the reforms. This includes:				

Ref:	Key Recommendations	Current Position	Improvement Actions	Lead	Timescale
	<ul style="list-style-type: none"> how the IJB will contribute to delivering high-quality care in different ways that better meet people's needs and improves outcomes 	Through the - Strategic Planning Group - CCG Group - Participation & Engagement Group			
	<ul style="list-style-type: none"> setting out clearly what resources are required, what impact the IJB wants to achieve, and how the IA will monitor and publicly report their progress 	2017/18 budget will consider at high level alignment of deployment of resources with Strategic Plan priorities. It is important to consider this in context of ongoing constraints in public expenditure. Public reporting will be through Annual Performance Report and Financial Statements	Consider data requirements and format of annual reporting.	Chief Officer, Chief Finance Officer and Performance Leads	Per legislative requirements.
	<ul style="list-style-type: none"> developing strategies covering the workforce, risk management, engagement with service users and data sharing, based on overall strategic priorities to allow the IA to operate successfully in line with the principles set out in the Act and ensure these strategies fit with those in the NHS and councils 	The following plans are in place: <ul style="list-style-type: none"> Integrated Workforce Plan Risk Management Strategy Participation and Engagement Strategy 	Review consider further development including how these support development of localities.	HSCP Leadership Group	6 monthly
	<ul style="list-style-type: none"> making clear links between the work of the IA and the Community Empowerment (Scotland) Act and Children and Young People (Scotland) Act 	The IJB is a member of the Community Planning Partnership (CPP) The IA is working in partnership to make strong links at locality level with CPP locality planning and community empowerment. The IA locality areas are broadly aligned with CPP	Consider how CSWO annual report can be used to this purpose.	CSWO	ongoing

Ref:	Key Recommendations	Current Position	Improvement Actions	Lead	Timescale
		The Chief Social Work Officer (CSWO) is a member of the IJB and also acts as the link between Children Services as the Head of Social Work – Children Services			
	<p>Develop financial plans that clearly show how IAs will use resources such as money and staff to provide more community-based and preventative services. This includes:</p> <ul style="list-style-type: none"> developing financial plans for each locality, showing how resources will be matched to local priorities ensuring that the IJB makes the best use of resources, agreeing how Best Value will be measured and making sure that the IJB has the information needed to review value for money and performance effectively 	<p>Section 8.3 of the Integration Scheme sets out the arrangements for agreeing the IJB budget or payment for the years subsequent to the initial year. This paper has been written to support this process taking into account, as far as possible, the extant national finance guidance for partnerships from IRAG.</p> <p>As described in the Integration Scheme a degree of flexibility and pragmatism has been applied in interpreting and applying the national guidance specifically in relation to:</p> <ul style="list-style-type: none"> The relatively early stage of the evolution of the partnership The current stage of development of performance management reporting and timing of available data Differences in financial planning and budget setting cycles of Local Authorities and NHS Boards Quality and availability of information in relation to in-scope services Current demand and costs pressures across in-scope services Ongoing work to develop the Delivery Plan and locality planning arrangements to implement the priorities of the strategic plan, including supporting detailed financial plans 	<p>Financial planning for localities and alignment to priorities is a medium term goal.</p> <p>Best Value statement required as part of Financial Statements.</p>	<p>Chief Finance Officer</p> <p>Chief Finance Officer</p>	<p>March 2018</p> <p>Per statutory reporting timescales.</p>

Ref:	Key Recommendations	Current Position	Improvement Actions	Lead	Timescale
		<ul style="list-style-type: none"> Current levels of economic and financial uncertainty. <p>The sophistication and therefore robustness of this process will improve in the coming years as the partnership arrangements develop and the co-relation between Strategic Plan delivery (including development of localities), Performance and Finance develops.</p> <p>Work has taken place to ensure that Partnership Funding - Integrated Care Fund and Delayed Discharge - monitoring processes adopt and support a strategic approach to service re-design and future targeting of partnership funding. This will ensure the partnership is able to use the funding available to improve outcomes for service users and their carers, achieve leverage and re-shape current initiatives, where required.</p>			
	Shift resources, including the workforce, towards a more preventative and community-based approach; it is important that the IA also has plans that set out how, in practical terms, they will achieve this shift over time.	Consider within delivery planning to underpin Strategic Plan and associated financial plans. 2017/18 budget will be presented for approval by IJB	Development of Medium to Longer Term Financial Planning for IJB	Chief Finance Officer	October 2017
	Integration authorities should work with Councils and NHS boards to: recognise and address the practical risks associated with the complex accountability arrangements by developing protocols to ensure that the chair of the IJB, the chief officer and the chief executives of the NHS				

Ref:	Key Recommendations	Current Position	Improvement Actions	Lead	Timescale
	board and council negotiate their roles in relation to the IJB early on in the relationship and that a shared understanding of the roles and objectives is maintained				
	review clinical and care governance arrangements to ensure a consistent approach for each integrated service and that they are aligned to existing clinical and care governance arrangements in the NHS and councils	<p>The IJB has approved a Clinical and Care Governance (CCG) Framework and established a CCG group to oversee the required arrangements.</p> <p>The CSWO has agreed to chair CCG until June 2017</p> <p>The IJB received a report on the work of the CCG group in December 2016</p>	<p>Review CCG Framework within Internal Audit Plan</p> <p>Regular update reports to IA</p>	<p>Chair of CCG</p> <p>Chief Officer</p>	<p>April 2017</p> <p>6 monthly</p>
	urgently agree budgets for the IA; this is important both for their first year and for the next few years to provide IAs with the continuity and certainty they need to develop strategic plans; this includes aligning budget-setting arrangements between partners	<p>The IJB held a special meeting on 18 November 2016 to consider the IJB budget and Business case for 2017/18 with a further update being presented to February 3rd IJB meeting.</p> <p>Budget paper will be presented to IJB for approval at Special meeting on 30 March 2017.</p> <p>Work ongoing nationally to improve future alignment of budget setting between NHS and Local Authorities.</p>	<p>Influence and consider implications of national work on aligning budgets.</p>	<p>Chief Finance Officer</p>	<p>March 2017</p> <p>Ongoing</p>
	establish effective scrutiny arrangements to ensure that councillors and NHS non-executives, who are not members of the IJB board, are kept fully informed of the	Further consideration required including how constituent authorities consider annual performance report.		Chief Finance Officer	Following publication in June 2017

Ref:	Key Recommendations	Current Position	Improvement Actions	Lead	Timescale
	impact of integration for people who use local health and care services	Report to Falkirk Council External Scrutiny panel Report to NHS FV Board			
	put in place data-sharing agreements to allow them to access the new data provided by ISD Scotland.	Data Sharing agreement in place	Periodic Review – Suggest annually unless specific issues arise.	Relevant Leads within Constituent Authorities	Annually